

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Ventura River Project, California

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND
THE CASITAS MUNICIPAL WATER DISTRICT
FOR THE REPAYMENT OF FUNDS EXPENDED FOR THE FEDERALLY
PERFORMED SAFETY OF DAMS ACT MODIFICATION PROGRAM
AT THE CASITAS DAM AND RESERVOIR

<u>Table of Contents</u>		
<u>Article No.</u>	<u>Title</u>	<u>Page No.</u>
	Preamble.....	1
	Explanatory Recitals.....	1-3
1	Definitions.....	3-4
2	Term of the Contract.....	5
3	Reclamation Safety of Dams Act Modifications.....	5
4	Repayment Obligation—Terms of Repayment.....	5-7
5	Title to Remain in the United States.....	7
6	Charges for Delinquent Payments.....	8
7	General Obligation—Benefits Conditioned Upon Payment.....	8
8	Contingent on Appropriation or Allotment of Funds.....	8
9	Officials Not to Benefit.....	8
10	Changes in Casitas’ Organization.....	9
11	Assignment Limited—Successors and Assigns Obligated.....	9
12	Books, Records, and Reports.....	9
13	Equal Employment Opportunity.....	9-10
14	Compliance With Civil Rights Laws and Regulations.....	10-11
15	Medium for Transmitting Payments.....	11
16	Administration of Federal Project Lands.....	11
17	Notices.....	12
18	Confirmation of Contract.....	12
19	Contract Drafting Considerations.....	12
	Signature Page.....	13

Exhibit A – Safety of Dams Modification Work – Summary of Costs
Exhibit B – Irrigation Repayment Schedule
Exhibit B-1 – M&I Annual Payment Schedule
Exhibit C – Irrigation Payment Capacity Study Schedule
Exhibit D – Agreement Between the Bureau of Reclamation and Casitas
Municipal Water District Concerning Future Irrigation Payment
Capacity Studies by the Bureau of Reclamation

1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 VENTURA RIVER PROJECT, CALIFORNIA

5 CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND
6 THE CASITAS MUNICIPAL WATER DISTRICT
7 FOR THE REPAYMENT OF FUNDS EXPENDED FOR THE FEDERALLY
8 PERFORMED SAFETY OF DAMS ACT MODIFICATION PROGRAM
9 AT THE CASITAS DAM AND RESERVOIR

10 THIS CONTRACT, made this _____ day of _____, 20____, in
11 pursuance generally of the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or
12 supplementary thereto, including, but not limited to, the Reclamation Safety of Dams Act of
13 November 2, 1978 (92 Stat. 2471), as amended August 28, 1984 (92 Stat. 1481),
14 October 27, 2000 (114 Stat. 1441), January 10, 2002 (115 Stat. 2230), and December 3, 2004
15 (118 Stat. 2627) and supplemented, hereinafter referred to as the "SOD Act", all collectively
16 hereinafter referred to as the Federal Reclamation laws, between the UNITED STATES OF
17 AMERICA, hereinafter referred to as the United States, acting through the Regional Director,
18 Mid-Pacific Region, Bureau of Reclamation, hereinafter called the Contracting Officer, and the
19 CASITAS MUNICIPAL WATER DISTRICT, hereafter referred to as Casitas, a public agency of
20 the State of California, duly organized, existing, and acting pursuant to the laws thereof, with its
21 principal place of business in Oak View, California;

22 WITNESSETH, That:

23 EXPLANATORY RECITALS

24 [1st] WHEREAS, pursuant to Federal Reclamation law, the United States constructed
25 Casitas Dam, hereinafter referred to as the Dam, and other appurtenant facilities, and acquired

certain lands, and other property, all collectively referred to as the Ventura River Project, as set forth in the report submitted to the Congress by the Secretary of the Interior entitled “Ventura River Project, California, Feasibility Report” (House Document No. 222, 84th Congress, 1st Session), and hereinafter referred to as “Project”; and

[2nd] WHEREAS, the United States and Casitas entered into Contract No. 14-06-200-5257 dated March 7, 1956, as amended, which provides, among other things, for Casitas to repay the identified costs incurred by the United States in constructing the Project and for Casitas to be responsible for the continued operation and maintenance of the Project; and

[3rd] WHEREAS, as a result of acquisition of new hydrologic data, new seismic data, and changes in state-of-art criteria, the United States has determined that the failure of the Dam due to a maximum credible earthquake, would cause extensive flood damage downstream, potential loss of life, devastating impact to home and property, and would reduce the water supply available for Project purposes; and

[4th] WHEREAS, the United States has determined that the Dam and appurtenant facilities must be modified pursuant to the SOD Act to preserve its structural integrity; and

[5th] WHEREAS, the SOD Act authorizes the Secretary of the Interior, acting through the Bureau of Reclamation, to perform the Modification Work, provided that fifteen percent of the Modification Costs incurred to correct the safety problems, including any appropriate interest, is reimbursed by Casitas to the United States; and

[6th] WHEREAS, the Modification Work has been completed and Casitas is willing to fully repay its applicable share of the Modification Costs plus IDC, pursuant to the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the above, it is mutually agreed by the parties as follows:

DEFINITIONS

1. When used herein, unless otherwise distinctly expressed, or manifestly incompatible with the intent of the parties as expressed in this Contract, the term:

(a) “Actual Reimbursable Cost” shall mean the reimbursable portion, identified in Exhibit “A” attached hereto, which may be modified from time to time without amendment of this Contract, or 15 percent of the Modification Costs incurred in the modification of structures under the Safety of Dams Act;

(b) “Contracting Officer” shall mean the Secretary of the Interior and/or his/her duly authorized representative acting pursuant to this Contract or applicable Federal Reclamation law or regulation;

(c) “Interest During Construction” or “IDC” shall mean the amount of annual interest, identified in Exhibit “A” attached hereto, on the Municipal and Industrial Reimbursable Cost expended between the date when funds were first disbursed for construction of the Modification Work and the date the Municipal and Industrial Reimbursable Costs have been paid in full to the United States and which amount is fully repayable by Casitas to the United States pursuant to the SOD Act;

(d) “Irrigation Reimbursable Cost” shall mean fifty-seven and thirty-three hundredths percent (57.33) percent of the Actual Reimbursable Cost allocation to Project irrigation uses, identified in Exhibit “A” attached hereto, which may be modified from time to

time without amendment of this Contract, and which amount is fully repayable by Casitas to the United States pursuant to the SOD Act;

(e) “Modification Costs” shall mean the activities as described in Article 3 and identified in Exhibit “A” attached hereto, which may be modified from time to time without amendment of this Contract, of which fifteen (15) percent is reimbursable, and constitutes all of the costs, including costs of studies and investigations related to the Modification Work incurred by the United States in the completion of the Modification Work, pursuant to the SOD Act;

(f) “Modification Work” shall mean the corrective work performed by the United States on the Dam and appurtenant facilities, pursuant to the SOD Act, as described in the Technical Memorandum No. CA-8313-5 (TM CA-8313-5), dated May 1998, as Revised in October 1998; the Final Environmental Assessment for Casitas Dam Seismic Modernization Project, Safety of Dams Program, dated October 10, 1998; and, as further described in Article 3 herein;

(g) “Municipal and Industrial (M&I) Reimbursable Cost” shall mean forty-two and sixty-seven hundredths (42.67) percent of the Actual Reimbursable Cost, identified in Exhibit “A” attached hereto, which may be modified from time to time without amendment of this Contract, allocated to Project M&I uses and which amount is fully repayable by Casitas to the United States, pursuant to the SOD Act; and

(h) “Substantially Complete” shall mean February 1, 2002, which is the date when the United States determined that a majority of the Modification Work had been completed, and the Dam safety risk had been reduced to an acceptable level.

TERM OF THE CONTRACT

2. This Contract shall become effective on the date first written above, and shall remain in effect for a term of 50 years from February 1, 2002, the year in which the Modification Work was determined to be Substantially Complete, or until Casitas has fully repaid the Actual Reimbursable Costs plus IDC, owed to the United States, whichever occurs first.

RECLAMATION SAFETY OF DAMS ACT MODIFICATIONS

3. The United States has financed and performed all appropriate construction of the Modification Work. The Modification Work included, but is not necessarily limited to, the following activities:

- (1) Construction of an interim foundation dewatering system; and
- (2) Strengthening the foundation of the Dam; and
- (3) Constructing a berm on top of the treated foundation; and
- (4) Constructing protective filters and drains and reinforcement of the Dam crest; and
- (5) Installation and operation of an early warning system until the time the Modification Work has been deemed to be Substantially Complete; and
- (6) Environmental mitigation and monitoring and site restoration.

REPAYMENT OBLIGATION—TERMS OF REPAYMENT

4. (a) Casitas shall be responsible for the full repayment to the United States of the Actual Reimbursable Cost plus IDC as summarized on Exhibit “A”.

(b) Casitas has made an advance payment of \$2,615,455.14 to the United States. Of the advance payment, \$2,239,065.08 has been credited to the M&I Reimbursable

Costs and has reduced the outstanding M&I Reimbursable Costs and \$376,390.06 has been credited to the IDC and has reduced the outstanding IDC, all owed by Casitas to the United States. Exhibit "A" identifies the remaining M&I Reimbursable Costs owed by Casitas and the full repayment for this cost is due February 1, 2014, as identified on Exhibit "B-1".

(c) In addition to the M&I Reimbursable Cost, Casitas shall be responsible for the full repayment to the United States of the Irrigation Reimbursable Cost identified in Exhibit "A", attached hereto, which may be modified from time to time without amendment of this Contract, beginning February 1, 2014, in accordance with Exhibit "B". Casitas shall make annual payments to the United States for the Irrigation Reimbursable Cost on the dates and in the amounts provided in Exhibit "B," as may be updated as provided in subdivision (d) of Article 4.

(d) The Contracting Officer will perform an irrigation payment capacity study to reevaluate Casitas' irrigation ability-to-pay at five-year intervals, as shown in Exhibit "C". These studies shall be conducted in accordance with the agreement entitled "Agreement Between the Bureau of Reclamation and Casitas Municipal Water District Concerning Future Irrigation Payment Capacity Studies by the Bureau of Reclamation", as may be amended and/or supplemented, as shown in Exhibit "D". If, in the opinion of the Contracting Officer and in consultation with Casitas, the updated irrigation payment capacity study indicates that Casitas has an ability-to-pay greater than those annual payment amounts identified in Exhibit "B", then, Casitas shall pay that amount to the United States during the next five-year period, but in no year shall Casitas pay less than the amount established in Exhibit "B". Casitas and the Contracting Officer shall consult on the updated irrigation payment capacity studies no later than one year prior to the upcoming five-year period.

(e) In the event Reclamation policy is modified to allow irrigation payment capacity studies to be conducted at other than five-year intervals, Casitas may request that Exhibit "C" be revised to conform to the modified policy.

(f) At any time, Casitas may, at its sole expense, request Reclamation to perform an updated irrigation payment capacity study in addition to those irrigation payment capacity studies provided for in Exhibit "C".

(g) Casitas reserves the right at any time to repay all or any portion of the outstanding balance of the Irrigation Reimbursable Cost, without penalty.

(h) The reimbursable portion of the final "Casitas Erosion Repair Project" work to be performed on the Casitas Dam under Technical Memorandum No. CA-8313-5 (hereafter TM CA-8313-5) will be added to Exhibits "A", "B", and "B-1" when the work has been completed. The completion of the "Casitas Erosion Repair Project" will be the final work to be carried out under TM CA-8313-5 and this Contract.

TITLE TO REMAIN IN THE UNITED STATES

5. (a) Title to the Modification Work shall be and remain in the name of the United States unless otherwise provided by Congress, notwithstanding the full payment to the United States, of Casitas' repayment obligations under this Contract.

(b) The rights and obligations created hereby are supplementary to and do not supersede or affect the rights and obligations under any prior contracts between the United States and Casitas.

CHARGES FOR DELINQUENT PAYMENTS

6. (a) Casitas shall be subject to interest, administrative, and penalty charges on delinquent payments. If a payment is not received by the due date, Casitas shall pay an interest charge on the delinquent payment for each day the payment is delinquent beyond the due date. If a payment becomes 60 days delinquent, Casitas shall pay, in addition to the interest charge, an administrative charge to cover additional costs of billing and processing the delinquent payment. If a payment is delinquent 90 days or more, Casitas shall pay, in addition to the interest and administrative charges, a penalty charge for each day the payment is delinquent beyond the due date, based on the remaining balance of the payment due at the rate of 6 percent per year. Casitas shall also pay any fees incurred for debt collection services associated with a delinquent payment.

(b) The interest rate charged shall be the greater of either the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month. The interest rate charged will be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied first to the penalty charges, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

GENERAL OBLIGATION—BENEFITS CONDITIONED UPON PAYMENT

7. The obligation of Casitas to pay the United States as provided in this Contract is a general obligation of Casitas notwithstanding the manner in which the obligation may be distributed among the Casitas' water users and notwithstanding the default of individual water users in their obligations to Casitas.

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

8. The expenditure or advance of any money or the performance of any obligation of the United States under this Contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve Casitas from any obligations under this Contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

OFFICIALS NOT TO BENEFIT

9. No Member of or Delegate to the Congress, Resident Commissioner, or official of Casitas shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

186 CHANGES IN CASITAS' ORGANIZATION

187 10. While this contract is in effect, no change may be made in Casitas' organization,
188 by inclusion or exclusion of lands or by any other changes which may affect the respective rights,
189 obligations, privileges, and duties of either the United States or Casitas under this Contract
190 including, but not limited to, dissolution, consolidation, or merger, except upon the Contracting
191 Officer's written consent.

192 ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

193 11. The provisions of this Contract shall apply to and bind the successors and assigns
194 of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein
195 by either party shall be valid until approved in writing by the other party.

196 BOOKS, RECORDS, AND REPORTS

197 12. Casitas shall establish and maintain accounts and other books and records
198 pertaining to administration of the terms and conditions of this Contract including Casitas'
199 financial transactions; water supply data; project operation, maintenance, and replacement logs;
200 project land and rights-of-way use agreements; the water users' land-use (crop census), land-
201 ownership, land-leasing, and water use data; and other matters that the Contracting Officer may
202 require. Reports shall be furnished to the Contracting Officer in such form and on such date or
203 dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations,
204 each party to this Contract shall have the right during office hours to examine and make copies of
205 the other party's books and records relating to matters covered by this Contract.

206 EQUAL EMPLOYMENT OPPORTUNITY

207 13. During the performance of this Contract, Casitas agrees as follows:

208 (a) Casitas will not discriminate against any employee or applicant for
209 employment because of race, color, religion, sex, disability, or national origin. Casitas will take
210 affirmative action to ensure that applicants are employed, and that employees are treated during
211 employment, without regard to their race, color, religion, sex, disability, or national origin. Such
212 action shall include, but not be limited to the following: employment, upgrading, demotion, or
213 transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms
214 of compensation; and selection for training, including apprenticeship. Casitas agrees to post in
215 conspicuous places, available to employees and applicants for employment, notices to be
216 provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

217 (b) Casitas will, in all solicitations or advertisements for employees placed by
218 or on behalf of Casitas, state that all qualified applicants will receive consideration for
219 employment without regard to race, color, religion, sex, disability, or national origin.

(c) Casitas will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Contracting Officer, advising the labor union or workers' representative of Casitas' commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) Casitas will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) Casitas will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of Casitas' noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and Casitas may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) Casitas will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Casitas will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however*, that in the event Casitas becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, Casitas may request the United States to enter into such litigation to protect the interests of the United States.

COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

14. (a) Casitas shall comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as amended; 29 U.S.C. § 791, et seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990

(Pub. L. 101-336; 42 U.S.C. § 12131, et seq.) and any other applicable civil rights laws, and with the applicable implementing regulations and any guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(b) These statutes prohibit any person in the United States from being excluded from participation in, being denied the benefits of, or being otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this contract, Casitas agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

(c) Casitas makes this agreement in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to Casitas by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. Casitas recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article and that the United States reserves the right to seek judicial enforcement thereof.

(d) Complaints of discrimination against Casitas shall be investigated by the Contracting Officer's Office of Civil Rights.

MEDIUM FOR TRANSMITTING PAYMENTS

15. (a) All payments from Casitas to the United States under this Contract shall be by the medium requested by the United States on or before the date payment is due. The required method of payment may include checks, wire transfers, or other types of payment specified by the United States.

(b) Upon execution of the contract, Casitas shall furnish the Contracting Officer with Casitas' taxpayer identification number (TIN). The purpose for requiring the Casitas' TIN is for collecting and reporting any delinquent amounts arising out of Casitas' relationship with the United States.

ADMINISTRATION OF FEDERAL PROJECT LANDS

16. The lands and interests in lands acquired, withdrawn, or reserved and needed by the United States for the purposes of care, operation, and maintenance of the Modification Works for the Ventura River Project works may be used by Casitas for such purposes. Casitas shall ensure that no unauthorized encroachment occurs on Federal project lands and rights-of-way. Casitas does not have the authority to issue any land-use agreement or grant that conveys an interest in Federal real property, nor to lease or dispose of any interest of the United States.

290

NOTICES

291 17. Any notice, demand, or request authorized or required by this Contract shall be
292 deemed to have been given, on behalf of Casitas, when mailed, postage prepaid, or delivered to
293 the Regional Director, Mid-Pacific Region, Bureau of Reclamation, 2800 Cottage Way,
294 Sacramento, California 95825-1898, and on behalf of the United States, when mailed, postage
295 prepaid, or delivered to the General Manager, Casitas Municipal Water District, Post Office Box
296 37 (1055 Ventura Avenue), Oak View, California 93022. The designation of the addressee or the
297 address may be changed by notice given in the same manner as provided in this Article for other
298 notices.

299

CONFIRMATION OF CONTRACT

300 18. Promptly after the execution of this contract, Casitas shall provide to the
301 Contracting Officer a certified copy of a final decree of a court of competent jurisdiction in the
302 State of California, confirming the proceedings on the part of Casitas for the authorization of the
303 execution of this Contract. This Contract shall not be binding on the United States until such
304 final decree has been secured.

305

CONTRACT DRAFTING CONSIDERATIONS

306 19. This Contract has been, negotiated and reviewed by the parties hereto, each of
307 whom is sophisticated in the matters to which this Contract pertains. Articles 6 through 19 of
308 this Contract have been drafted, negotiated, and reviewed by the parties, and no one party shall
309 be considered to have drafted the stated articles.

313 By: _____
314 Regional Director, Mid-Pacific Region
315 Bureau of Reclamation

317 (SEAL)
318
319 By: _____
320 Attest: President, Board of Directors

321 By: _____
322 Secretary, Board of Directors
323

EXHIBIT A**CASITAS DAM AND RESERVOIR
VENTURA PROJECT****SAFETY OF DAMS MODIFICATION WORK – SUMMARY OF COSTS**

Safety of Dams (SOD) Modification Costs:	\$34,982,658.91
Casitas Berm Drainage Modification Costs:	<u>\$ 41,449.46</u>
Total Safety of Dams Modification Costs:	<u>\$35,024,108.37</u>

15% of Safety of Dams Modification Costs:	\$ 5,247,398.84
15% of Casitas Berm Drainage Modification Costs:	<u>\$ 6,217.42</u>
Total Actual Reimbursable SOD Costs:	<u>\$ 5,253,616.26</u>

Total Actual Reimbursable SOD Cost allocated to:	
Irrigation – 57.33% - SOD Modification Costs	\$ 3,008,333.76
Irrigation – 57.33% - Casitas Berm Drainage Costs	\$ 3,564.45
Municipal and Industrial (M&I) – 42.67% - SOD Costs	\$ 2,239,065.08
Municipal and Industrial (M&I) – 42.67% - Berm Cost	<u>\$ 2,652.97</u>
Total SOD Cost Allocated to Irrigation and M&I	<u>\$ 5,253,616.26</u>

Reimbursable Costs Payable to Reclamation:

Irrigation:	
SOD Mod Costs	\$ 3,008,333.76
Casitas Berm Drainage Mod Costs	<u>\$ 3,564.45</u>
Total SOD Reimbursable Cost – Irrigation	<u>\$ 3,011,898.21</u>

M&I:	
SOD Mod Costs	\$ 2,239,065.08
Casitas Berm Drainage Mod Cost	<u>\$ 2,652.97</u>
Total SOD Reimbursable Cost – M&I	<u>\$ 2,241,718.05</u>

Total SOD Reimbursable Costs – Irrigation and M&I	\$ 5,253,616.26
---------------------------------------------------	-----------------

Interest During Construction (IDC) on M&I cost (May 30, 2012)	<u>\$ 376,390.06</u>
Total SOD Reimbursable Costs including IDC	<u>\$ 5,630,006.32</u>

Payments made as of 12/31/2013:	
Payments: Applied to M&I Reimbursable Cost	\$ 2,239,065.08
Applied to IDC Cost	<u>\$ 376,390.06</u>
Total Payment	<u>\$ 2,615,455.14</u>

Balance due to Reclamation (See Exhibit B and B-1) as of 12/31/13:	
Irrigation (Exhibit B)	\$ 3,011,898.21
M&I (Exhibit B-1)	<u>\$ 2,652.97</u>
Total SOD Reimbursable Cost due Reclamation as of 12/31/13	<u>\$ 3,014,551.18</u>

EXHIBIT B**Total SOD Reimbursable Cost – Irrigation Annual Payment Schedule**

February 1, 2014	\$ 77,228.16	February 1, 2034	\$ 77,228.16
February 1, 2015	77,228.16	February 1, 2035	77,228.16
February 1, 2016	77,228.16	February 1, 2036	77,228.16
February 1, 2017	77,228.16	February 1, 2037	77,228.16
February 1, 2018	77,228.16	February 1, 2038	77,228.16
February 1, 2019	77,228.16	February 1, 2039	77,228.16
February 1, 2020	77,228.16	February 1, 2040	77,228.16
February 1, 2021	77,228.16	February 1, 2041	77,228.16
February 1, 2022	77,228.16	February 1, 2042	77,228.16
February 1, 2023	77,228.16	February 1, 2043	77,228.16
February 1, 2024	77,228.16	February 1, 2044	77,228.16
February 1, 2025	77,228.16	February 1, 2045	77,228.16
February 1, 2026	77,228.16	February 1, 2046	77,228.16
February 1, 2027	77,228.16	February 1, 2047	77,228.16
February 1, 2028	77,228.16	February 1, 2048	77,228.16
February 1, 2029	77,228.16	February 1, 2049	77,228.16
February 1, 2030	77,228.16	February 1, 2050	77,228.16
February 1, 2031	77,228.16	February 1, 2051	77,228.16
February 1, 2032	77,228.16	February 1, 2052	77,228.13
February 1, 2033	77,228.16		

The above table reflects the annual repayment amount due against the Total Irrigation Reimbursable Cost of \$3,011,898.21 over 39 years. Thirty-nine (39) years is the remaining life of the 50 year payout from the date that this SOD project was deemed to be substantially complete on February 1, 2002.

EXHIBIT B-1

Total SOD Reimbursable Cost - M&I Annual Payment Schedule

February 1, 2014	\$2,652.97*
------------------	-------------

* This amount is subject to interest.

Draft

EXHIBIT C

FIVE-YEAR IRRIGATION PAYMENT CAPACITY STUDY SCHEDULE

Five-Year Irrigation Payment Capacity Study To Be Completed By The Following Dates:

February 1, 2015
February 1, 2020
February 1, 2025
February 1, 2030
February 1, 2035
February 1, 2040
February 1, 2045
February 1, 2050

EXHIBIT D

Agreement Between the Bureau of Reclamation and the Casitas Municipal Water District
Concerning Future Irrigation Payment Capacity Studies by the Bureau of Reclamation.

Draft

AGREEMENT BETWEEN THE
BUREAU OF RECLAMATION
AND
CASITAS MUNICIPAL WATER DISTRICT
CONCERNING FUTURE IRRIGATION PAYMENT CAPACITY STUDIES
BY THE BUREAU OF RECLAMATION

JANUARY 2000

WHEREAS, the Bureau of Reclamation (hereinafter Reclamation) and Casitas Municipal Water District (hereinafter Casitas) contemplate entering into a contract concerning the repayment of certain costs expended for Federally performed Safety of Dams modification program; and

WHEREAS, a part of this program requires Casitas to repay funds based upon the irrigation payment capacity studies developed for Casitas' agricultural customers; and

WHEREAS, Reclamation and Casitas have mutually discussed some appropriate changes to standard Reclamation methodology in order to more accurately calculate the irrigation payment capacity, and

WHEREAS, the reason for removing the smaller crop types to some other classification or eliminating them entirely rather than including them with avocados was that the payment capacity of these smaller crop types, such as apricots, walnuts, nursery, gardens, and pasture, is not equal to avocados in payment capacity; and

WHEREAS, the reason for using a 10-year averaging methodology is to eliminate the possibility that unusual cases in 1 or 2 years will skew the results; and

WHEREAS, the reason for multiplying acreage times income before averaging is that this method of averaging avoids skewed results; and

WHEREAS, Reclamation and Casitas are interested in documenting these changes;

NOW, THEREFORE, BE IT AGREED by Reclamation and Casitas as follows:

Article 1. Definitions

Irrigation payment capacity study: Is a study by Reclamation, in consultation with Casitas, which determines, under Reclamation law and policy, the annual amount that Casitas' irrigation customers are able to pay for water service including any additional costs associated with the dam modification project.

Article 2, Purpose

The purpose of the irrigation payment capacity study is to determine the amount of any ability that Casitas, through collections from its irrigation customers, can repay Reclamation for its portion of the dam modification project. This study is to accurately reflect the ability of Casitas' irrigation customers to make these payments.

Article 3. Modification

The following modifications have been agreed to by Reclamation and Casitas so that Reclamation can accurately determine the ability of Casitas' irrigation customers to pay the agricultural portion of the cost of the modification of Casitas Dam:

1. Types of Crops

Reclamation will not include acreages of apricots, pasture, gardens, nurseries or walnuts with avocados for the purposes of the irrigation payment capacity study. Acreages of apricots may be included with oranges. Acreages of pasture, nurseries, gardens and walnuts must be included by themselves or excluded entirely. The reason for this is that incomes from apricots, pasture, nurseries, gardens and walnuts do not approach the income of avocados.

2. Ten-Year Averaging

Reclamation shall use a 10-year averaging method for all income projections and water use projections throughout the study. In terms of income (gross revenue per acre) on the farm budget, the crop price received per unit of output (e.g., ton, box, etc.) and the crop yield per acre shall be multiplied together for each year considered prior to averaging over the ten years.

3. Calculating Usage Per Acre

For Reclamation's use in calculating the amount of water used per irrigated acre, Casitas will identify the farms that take only Casitas water supply and determine the amount of irrigated acreage on those farms for each crop. The amount of water used by farms with only Casitas water for each crop shall be divided by the total acreage of the same farms put to commercial irrigation use. Acreage on the farms with only Casitas water shall be used to produce the average amount of water per acre for each crop to be used in the study. Casitas will provide similar figures for farms with supplemental water resources in addition to Casitas water. Each year Casitas will provide this information directly to Reclamation in accordance with the notice section of this agreement.

4. Total Irrigated Acreage

Reclamation will use the information from Casitas concerning usage per Casitas' Supplied Acre to calculate the estimated water used per acre, and water use per acre will be

divided into actual water sold by Casitas to determine the maximum number of acres from which the irrigation payment capacity study calculates irrigation income.

Article 4. Other Modification/Unintended Consequences

Prior to issuing the final study on irrigation payment capacity, Reclamation will issue a copy of the draft study to Casitas for its review. Should that review disclose some issues with the payment capacity study, not specifically noted above, Reclamation and Casitas will sit down together and will mutually resolve the issue. That resolution shall be modified into the final irrigation payment capacity report. One example of an issue that needs to be negotiated is if it is determined that there is a large ability-to-pay which is likely to cause irrigation customers to abandon Casitas water service for supplemental water sources leaving only municipal and industrial customers to pay, that issue cannot work and thus would have to be resolved. Another example of an issue that may need negotiating is how partial acreages some receiving Casitas water and some using supplemental water are treated in the study. These examples are not to be considered an exclusive limit of issues to be resolved.

Article 5. Notices

Any notice, demand or request authorized or required by this agreement shall be deemed to have been given, on behalf of Casitas, when mailed, postage prepaid, or delivered to the Manager, Economics Group, D-8270, U.S. Bureau of Reclamation, P.O. Box 25007, Denver, Colorado 80225-0007 and on behalf of the United States, when mailed, postage prepaid, or delivered to the General Manager, Casitas Municipal Water District, P.O. Box 37, (1055 Ventura Avenue), Oak View, California 93022. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this Article for other notices.



~~John J. Johnson~~ L. R. Whelan
General Manager President, Board of Directors
Casitas Municipal Water District

2-23-00
Date



Robert B. Hamilton
Manager, Economics Group
Technical Service Center
U.S. Bureau of Reclamation

1/26/00
Date

CASITAS MUNICIPAL WATER DISTRICT

RESOLUTION NO. 00-12

RESOLUTION AUTHORIZING AND DIRECTING
THE PRESIDENT OF THE BOARD TO EXECUTE
AN AGREEMENT BETWEEN CASITAS AND
THE BUREAU OF RECLAMATION CONCERNING
FUTURE IRRIGATION PAYMENT CAPACITY STUDIES
BY THE BUREAU OF RECLAMATION

WHEREAS, the Bureau of Reclamation and the Casitas Municipal Water District contemplate entering into a contract concerning the repayment of certain costs expended for Federally performed Safety of Dams modification program; and

WHEREAS, a part of this program requires Casitas to repay funds based upon the irrigation payment capacity studies developed for Casitas' agricultural customers; and

WHEREAS, Reclamation and Casitas have mutually discussed some appropriate changes to standard Reclamation methodology in order to more accurately calculate the irrigation payment capacity; and

WHEREAS, the reason for removing the smaller crop types to some other classification or eliminating them entirely rather than including them with avocados was that the payment capacity of these smaller crop types, such as apricots, walnuts, nursery, gardens, and pasture, is not equal to avocados in payment capacity; and

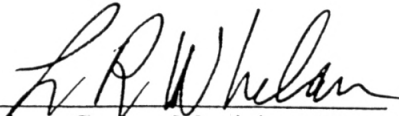
WHEREAS, the reason for using a ten-year averaging methodology is to eliminate the possibility that unusual cases in one or two years will skew the results; and

WHEREAS, the reason for multiplying acreage times income before averaging is that this method of averaging avoids skewed results; and

WHEREAS, Reclamation and Casitas are interesting in documenting these changes;

NOW, THEREFORE, BE IT RESOLVED that the President of the Board of Directors is hereby authorized and directed to execute the Agreement between Casitas and the Bureau concerning future irrigation payment capacity studies.

ADOPTED this 23rd day of February, 2000.



President, Casitas Municipal Water District

ATTEST:



Secretary, Casitas Municipal Water

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

I, Elaine Paul, Clerk of the Board of Directors of Casitas Municipal Water District, certify that the foregoing Resolutions No. 00-12 are true and correct copies of the resolutions adopted at a meeting of said Board of Directors held on the 23rd day of February, 2000 by the following vote:

AYES:	Directors:	Word, Hicks, Whelan, Bennett, Coultas
NOES:	Directors:	None
ABSENT:	Directors:	None

IN WITNESS WHEREOF, I have signed my name and affixed the official seal of the Casitas Municipal Water District this 24th day of February, 2000.



Clerk of the Board of Directors
Casitas Municipal Water District